

DEPARTMENT OF STATE

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TO : The Secretary  
FROM: Stanley Escudero  
David Patterson  
John Stempel

Iran: Alternative Measures to Free the Hostages

SETTING

As Persian-speaking Foreign Service Officers, each with 4-5 years of experience in Iranian affairs, the writers of this memo wish to make their views available to you at this critical time. All of us have had close contacts with various elements of the Iranian Revolutionary Forces for extended periods during the past 18 months. The authors are agreed that the nature of the Iranian approach to bargaining and the interplay between the various political elements in Iran will preclude release of the hostages under present conditions. The authors' primary concern is to suggest that the present US course of action is likely to result in prolonging this crisis beyond all reason and that the US should therefore begin considering alternative approaches. Another Persian-speaking officer (Ronald Neumann), whose Iranian service predates the revolution, also agrees fully with the conclusions of this memorandum.

THE NEGOTIATING PROCESS

US efforts to secure the release of the hostages have been unsuccessful in large measure because of the differing perceptions of the United States and Iran regarding the negotiating process.

The US has attempted to pressure the Iranians through international disapproval and to provide face-saving devices apparently assuming that the Iranians, perhaps influenced by events in Afghanistan, are looking for a way out of a dilemma which they have created. The Iranians,

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without significant exception, will view the negotiations as a bargaining process in which they hold the whip hand. It is their purpose to extract the greatest possible number of concessions from us before releasing the hostages. This is true for all elements of power in Iran although the divisions within the Iranian body politic have so far precluded general agreement on the minimum level of concessions necessary to obtain the release of the hostages. Some groups may not wish to release the hostages at all. Indeed, one likely scenario is a trial of the hostages following which most are released but several are jailed for lengthy periods as a means of prolonging the hostage situation to provide continuing insurance against US retaliation.

While we may not believe that we are bargaining, the Iranians do and our actions would confirm that belief in their minds. We have taken any number of positions and have always fallen back: on threats of force, sanctions, deportation of Iranian students and, most recently, on the conditions surrounding the work of the UN Commission, the relation of that Commission to the release of the hostages, and President Carter's offer of an "expression of concern." Each time we have offered a concession the Iranians have noted it, given nothing in return, and once again held out their hand for more.

It may be that not all Iranian power groups believe that they will succeed in getting the Shah back; some of them may accord higher priority to other goals, such as humiliating the United States. But they all believe we will give more to get the hostages back. They probably feel that time is on their side; that they can use revelations of torture and US-SAVAK cooperation made available to the media and the UN Commission to win adherents among US public opinion, in Panama, and among those Third World states which are predisposed against the US in any case. At the present stage of the bargaining process, they have no incentive to release the hostages and every incentive to retain them.

If the Iranians do feel that they can use the hostages to extort further concessions from the US, one of our most difficult tactical problems may be communicating to Tehran when we have reached our bottom line. Our tactics throughout the bargaining process will have eroded the credibility of our statements of position with the Iranians, who may find it impossible to believe that our final position is in fact final. Moreover, as the consequences of retaining the hostages are likely to be no worse for the Iranians at that

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time than they are now, they will have little reason to accept that:

-- no further concessions will be forthcoming, and

-- they should release the hostages anyway.

Therefore, it is not unreasonable to conclude that the bargaining process, as we engage in it, will not prove an effective means of obtaining the release of the hostages and that other means must be considered.

#### THE CHAOTIC POLITICAL ARENA

As demonstrated by the failure of the UN Commission, the various competing elements which make up the Iranian body politic have so far found it impossible to agree upon an acceptable formula for the eventual release of the hostages. The authors believe that this apparent inability of the Iranian "government" to function as it should is primarily the result of a deep-seated anti-Americanism among significant elements of the power structure and the extreme competitiveness of the Iranian political milieu which causes parties to combine against any single group or individual which appears through success in any political endeavor, to be augmenting his power base.

The Revolutionary Council is often described as split between moderate laymen and radical clerics. Although these descriptions are far too neat and although the Ayatollah Beheshti in particular is quite pragmatic, he and Rouhani and others are quite hostile toward the United States. It is less generally appreciated that even President Bani Sadr is extremely anti-American; he appears moderate on the hostage issue only in contrast to his fellow revolutionaries. For this reason, and because he will be constrained in his actions by more radical groups, Bani Sadr's electoral mandate with respect to the hostage issue is probably much more limited than the conventional view suggests.

Even if Bani Sadr does want to end the hostage situation (the operating belief of the administration) for his own reasons, he can only do so if he can find a formula that will leave his political power strengthened, or at a minimum undamaged. He has now suffered a loss of power since he has clearly been undercut by Khomeini. Whatever his eventual intentions he will now need either a considerable passage of time, or newer and bigger concessions from us, or both, before he can be expected to make a real (as opposed to symbolic) effort to end the crisis.

To offset Bani Sadr's victory in the Presidential polls, Beheshti's Islamic Republican party, the Tudeh party, and others are working furiously to defeat Bani Sadr and his supporters in the forthcoming parliamentary (Majles) elections. Bani Sadr's opponents are likely to win at least a majority. Whatever their numbers, if debate in the new Majles follows the well-established revolutionary pattern of discussions between Iranian factions, the dynamics of the situation will strongly inhibit the evolution of an accommodating posture on the hostages. The new deputies will be likely to vie with one another to see who can be the most revolutionary and the most intransigent on the hostage question. Those who appear to favor accommodation will risk accusations of insufficient revolutionary zeal. In fact, any steps acceptable to the US are likely to be opposed simply because we like them. Consequently, the authors believe that the election of the Majles will produce a new and more complicating factor into the Iranian political equation which will make release of the hostages less likely rather than more. It is probable that the Ayatollah Khomeini was aware of this when he consigned the hostages' future to the new Majles and, so long as the Majles is the body to be responsible for the hostages' fate, the Majles will retain the capacity to confuse matters even if the hostages themselves are physically transferred to the control of the Iranian government.

The bickering between elements of the militant terrorist coalition that holds the hostages is another important element in the political stalemate in Tehran. There is no more unity of purpose among the coalition than there is among the Iranian body politic as a whole and a similar radicalizing dynamic applies to the militants - moderation on the hostage issue is unrevolutionary. To suggest releasing the hostages would be considered treasonous by at least some of the factions. There are also those, a very small minority, who want harm to come to some of our hostages. On the religious side the Islamic Mujaheddin are probably more interested in the humiliation of the United States than in negotiating release of the hostages in a way which would be to Iran's advantage. In addition, all of the militants have one element in common: their power grew sharply when they seized the Embassy and the hostages and will fall sharply once the hostages are released. In the interim they will have made many enemies. Consequently, several of the factions must believe that their futures are bleak once the hostages are released and they are probably right.

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While all political groups in Iran claim that they would accept the Ayatollah's directions, it is likely that in the crunch, some would not. They did not in February, 1979, for example, when severe civil conflict erupted each night in Tehran from February 14-18 involving many of the same factions presently represented in the US Embassy compound. Such an internal struggle within the militant terrorist coalition could break out when and if efforts are made to release the hostages or hand them over to the government or some other third party.

It should now be clear that only Khomeini, through an unequivocal instruction, has the capacity to bring about the release of the hostages. But the Ayatollah may never prove accommodating. He has succeeded to this point against incredible odds because he has refused to compromise and has been more stubborn than his opponents (a characteristic rigorously imitated by the militants in the Embassy). Unless he were to feel that his health was failing for the last time, we believe he will be unwilling to order the release of the hostages, absent complete capitulation to his demands, even to shore up the Bani Sa'ad government. Khomeini's death, however, would probably be the signal for renewed civil strife which would greatly increase the danger to the hostages, whose possession might well become a symbol of revolutionary legitimacy.

Considering that most Iranian elements of power now have little incentive to release the hostages and that some of the militants at the Embassy have an absolute disincentive to do so, any form of negotiation is most unlikely to succeed because there is no one who could or would deliver on a promise to release them. The divisions among the militants and the various Revolutionary Council factions offer little prospect of any sort of public or elite opinion shift that would lead to release of the hostages. The present state of political infighting in Iran strongly augurs for continued stalemate for the foreseeable future, with the Iranians using maneuvers such as the projected transfer of the hostages to the custody of more neutral parties, the establishment of new deadlines, and the visitation of the hostages, to obtain more concessions from the United States and to jockey for power among themselves.

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OPTIONS

In view of the foregoing the authors believe that it is important to consider carefully alternative future options. We have discussed three.

Option 1:

Continue the present course.

Discussion:

This course gives the greatest assurance of preserving the lives of the hostages but no assurance whatever of their ultimate release. Significant prolongation of the crisis also increases the probability of irreparable psychological harm to the hostages and their families. In addition, the likelihood of further US concessions in order to obtain the release of the hostages and the spectacle of the United States submitting itself to Iranian blackmail will further erode US credibility in the vital region of South Asia at a time of expanding Soviet influence into an essentially weakened, fragmented region.

The authors do not feel that this course will succeed. However, if it is decided to proceed along these lines, we feel it is vital to regain the element of simultaneity which constituted the principal advantage of the UN Commission from the point of view of the United States. Now that the Commission has quite properly withdrawn from Iran, it is important that the terms of its eventual return be calculated to the US advantage. In this regard, we and the United Nations should recognize that the Iranians have created a false issue over the visitation of the hostages. While visitation is important to determine the presence and health of all of the hostages, it is essentially valueless in obtaining their release and neither the US nor the UN should be prepared to concede anything of value in return for the visitation. Indeed, a visit should be the first order of business of the Commission upon its return to Iran and an agreement on such a visit should be one of the two principal conditions for the return of the Commission. The second condition should be agreement in advance upon a date certain for the release of the hostages.

Finally, it should be clear that the Commission will release its report simultaneously with the release of the hostages and that absent such release there will be no report by the Commission nor any other public or private comments on Iranian complaints regarding the activities of the Shah or the United States.

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Absent these conditions, any chance that the Commission will obtain the release of the hostages can be relegated to the category of a vague hope and the Commission itself becomes a device for the Iranians to use in their campaign to vilify the United States and obtain the eventual return of the Shah.

Option 2:

Attempt a Rescue.

Discussion:

This option includes the risk that the attempt would fail resulting in the loss of men, equipment, and some or all of the hostages. A failed rescue attempt which left the hostages under Iranian control would seriously reduce whatever possibility there might be of their eventual negotiated release.

A successful rescue on the other hand would be a triumph with predictable domestic consequences. After discussions with persons knowledgeable about US military capabilities, the writers believe it possible to plan and execute an operation which would have a very good chance of successfully rescuing the hostages. The possibilities for success would of course be bolstered by the large amount of information and expertise on Iran within the US military.

Iranian and international reaction to a successful rescue would be difficult to predict. There might be serious anti-American demonstrations in some Islamic countries. In general, however, the authors believe that success would be likely to undermine the militants in Iran and to regain for the United States some lost respect and credibility with many governments, including several which are vital to our interests in the Middle East. We urge that the U.S. Government make serious detailed preparations and begin practicing for a rescue operation.

Option 3:

Declare War and Exert Military Pressure.

Discussion:

This option would require some time to carry out, would entail some risk to the hostages, and some international risk. Under this course we would declare war and intern Iranian diplomats and other Iranians deemed potentially hostile as suggested by former Ambassador Kennan. We would also announce the mining of Iran's dry-cargo Persian Gulf ports, a deadline

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for the release of the hostages and a penalty for not meeting the deadline. The writers would suggest, as a first punitive measure, destruction of the domestic refinery at Shiraz. We would also warn of extremely severe consequences if any of the hostages are harmed. These measures, and others which might follow, could be accompanied by a statement of US willingness to discuss scenarios for release of the hostages and the consideration of Iranian grievances, along the lines of the conditions described for the UN Commission in the first option of this paper.

The authors are aware that this brief memo leaves many questions unanswered and we would be grateful for an opportunity to discuss these issues further with you.

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